



**Purchasing Service Agreement
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA ITEM NO.: 33
AGENDA DATE: Thu 10/20/2005
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SUBJECT: Authorize execution of a 12-month revenue agreement with THOENE SALES CO., INC., Walburg, TX for snack and beverage vending services for the Austin Police Department, Austin Public Library, Austin Water Utility, Combined Transportation, Emergency and Communication Center, Municipal Court, Neighborhood Housing and Community Development, Finance and Administrative Services (Building Services) and the Emergency Medical Services Department, with an estimated revenue of \$36,025, with four 12-month extension options with an estimated revenue of \$36,025 per extension option, for a total estimated revenue of \$180,125.

AMOUNT & SOURCE OF FUNDING: Revenue in the amount of \$30,020.83 is estimated for Fiscal Year 2005-2006 for the following departments: Austin Police Department \$12,083.33; Austin Public Library \$6,250; Austin Water Utility \$5,833.33; Combined Transportation, Emergency and Communications Center \$1,041.67; Municipal Court \$375; Neighborhood Housing and Community Development \$1,250; Financial and Administrative Services, Building Services \$2,250; and Emergency Medical Services \$937.50. Revenue for the remaining two months of the original contract period and extension options is contingent on future volume of snack and beverage consumption.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Purchasing **DIRECTOR'S**
DEPARTMENT: for Various Departments **AUTHORIZATION:** Vickie Schubert

FOR MORE INFORMATION CONTACT: Mick Osborne, Senior Buyer/974-2995

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: Highest commission rate of five bids received.

MBE / WBE: This contract will be awarded in compliance with Chapter 2-9 of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

This contract will provide for snack and beverage vending machines and services at 38 City facilities, including police stations, libraries, wastewater treatment plants, and City office buildings. The existing agreements for these facilities were on holdover status.

The vending service will provide hot and cold drinks, snack foods, refrigerated food items, and frozen food items. Healthy food and drink choices will be available in the machines. In addition to offering a higher commission rate, the selected company's vend prices are equal to or lower than that of the competing vendors for all beverages and the majority of snack items identified in the bid.

As part of a program sponsored by Austin Energy, cold drink machines and non-refrigerated snack machines will be equipped with "VendingMiser" devices, which use a sensor to power down the machines when the surrounding area is vacant. The VendingMiser automatically re-powers the machine at one to three hour intervals to keep beverages cold. The VendingMiser reduces the electricity use of a



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vending machine by an average of 40%.

MBE/WBE Solicited: 14/3

MBE/WBE Bid: 0/0

BID TABULATION
IFB No. MO05300205
Snack and Beverage Vending Services

<u>VENDOR</u>	<u>COMMISSION RATE TO CITY</u>
THOENE SALES CO., INC WALBURG, TX	31%
Accent Food Services Austin, TX	27.21%
Mcliff Vending and Office Coffee Service Buda, TX	15.12%
Pepsi Bottling Group Austin, TX	*
Austin Coca-Cola Bottling Co. Austin, TX	*

* Non-responsive. Vendors did not bid on all items as required by the solicitation. Bid on beverages only.

A complete bid tabulation is available in the Purchasing Office

PRICE ANALYSIS

- a. Adequate competition.
- b. One hundred fifty-one notices were sent, including 14 MBEs and three WBEs. Nine solicitations were issued, including no MBE/WBEs. Five bids were received.
- c. The commission rate offered represents an increase to the previous contracts for those participating departments who had contracts. Previous commission rates were: 18.25% (Library) and 27% (Police, CTECC, Neighborhood Housing). The other departments did not have existing written contracts, but had informal agreements whereby they received from 0 – 10% commission.

APPROVAL JUSTIFICATION

- a. Highest commission rate.



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- b. The departments concur with the recommended award.
- c. Advertised in the Austin American-Statesman and Internet.